



*State of New Jersey*  
*Board of Public Utilities*  
Two Gateway Center  
Newark, NJ 07102

TELECOMMUNICATIONS

IN THE MATTER OF THE PETITION FOR AN	)	
ORDER AUTHORIZING ADVANCED TELCOM	)	<u>ORDER OF APPROVAL</u>
INC. TO PROVIDE LOCAL EXCHANGE	)	
TELECOMMUNICATIONS SERVICES	)	DOCKET NO. TE99120949

(SERVICE LIST ATTACHED)

BY THE BOARD:

By letter dated December 16, 1999, Advanced TelCom, Inc. (Petitioner or Advanced TelCom) filed a petition with the Board of Public Utilities (Board) requesting authority to provide local exchange telecommunications services in the State of New Jersey. Petition at 1. Petitioner stated that its financial information as contained in the petition was highly confidential and wishes to have it treated as confidential. Id. at 4. Petitioner also responded on August 7, 2000, to a staff questionnaire and to staff interrogatories by letters dated September 20, 2000, and September 21, 2000.

Advanced TelCom was organized under the laws of the State of Delaware on July 1, 1998, as Advanced TelCom Group, Inc. Id at 3, Exhibit A. Its principal offices are at 110 Stony Point Road, Suite 200, Santa Rosa, California 95401. Id at 2. By letter dated August 10, 2000, Petitioner notified the Board of a change in corporate name to Advanced TelCom, Inc. This name change was approved by the Secretary of State of New Jersey. Approval was also given to register the business names Advanced TelCom Group and ATG.

Petitioner submitted copies of its Certificate of Incorporation, New Jersey Certificate of Good Standing and its New Jersey Certificate of Authority to operate as a foreign corporation. Petition at 3, Exhibit A, Letter of September 20, 2000 at 5-9. According to the petition, Advanced TelCom was formed to provide local exchange services. Petition at 1. Petitioner currently is authorized to provide facilities-based local exchange and interexchange telecommunications services in Alabama, California, Colorado, Connecticut, Delaware, Florida, Illinois, Kansas, Kentucky, Maryland, Massachusetts, Minnesota, Montana, Nebraska, Nevada, New York, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont, Virginia, Washington, Wisconsin and Wyoming. In addition, Petitioner is authorized to provide resold or facilities-based local exchange service in Georgia, Iowa, Michigan and New Jersey (resale only). Petitioner has not been denied authority to provide telecommunications services in any State. In addition, Petitioner has no pending civil, criminal or administrative actions against it. August 7, 2000 response to Staff questionnaire, enclosure at 4.

Petitioner has an interconnection agreement with Verizon-New Jersey, Inc. (V-NJ), which was filed with the Board on September 21, 2000 at Docket No. TO00090674.

Petitioner advised that initially it plans to serve home office and business customers in Trenton, and the Townships of Ewing, Hamilton, West Windsor, Plainsboro, Princeton, Lawrence, South Brunswick, Franklin, Montgomery and Rocky Hill. Petitioner expects to provide a wide range of voice and data services, including, but not limited to, local, long distance (via resale only at this time), internet access and voice mail. At some time in the future, Petitioner may expand to other locations in New Jersey that have not been identified at this time. Ibid. at 4. Petition at 3, 5.

Petitioner requested: (1) a waiver of the rules requiring the maintenance of their books and records according to the Uniform System of Accounts (USOA); and (2) that it be allowed to keep their books and records in accordance with Generally Accepted Accounting Principles (GAAP). Petitioner maintains that keeping its books and records according to USOA would be unduly burdensome. By letter dated October 6, 2000, Petitioner also requested a waiver to keep its books and records outside of New Jersey.

Petitioner asserted that approval of its petition will further the public interest by expanding the availability of competitive telecommunications services in the State of New Jersey. Petitioner also asserted that approval of this Petition will provide New Jersey customers with access to new technologies and service choices and will permit customers to achieve increased efficiencies and cost savings. Petition at 6.

With regard to its managerial and technical qualifications, Advanced TelCom stated that it possesses the technical capability and managerial qualifications to operate and manage its telecommunications operations in the State of New Jersey. Id. at 4. Petitioner submitted the professional biographies of its key personnel, who, according to Petitioner, are well qualified to execute its business plans and have extensive managerial and technical experience in the telecommunications industry. Ibid., Exhibit B.

Petitioner has submitted financial statements for the year ended December 31, 1998, as evidence of its financial resources. Id. at 4, Exhibit C. Petitioner asserted that this material is confidential and has requested that the Board grant confidential treatment of this information. Petitioner will need to file pro forma financial statements for two years for their operations in New Jersey before receiving approval of its tariff.

## DISCUSSION

On February 8, 1996, the federal Telecommunications Act of 1996, P.L.104-104, 110 Stat. 56, codified in scattered sections of 47 U.S.C. §151 et seq., was signed into law, removing barriers to competition by providing that:

[n]o State or local statute or regulation, or other State or local legal requirement, may prohibit or have the effect of prohibiting the ability of any entity to provide any interstate or intrastate telecommunications service.

[47 U.S.C. §253(a)].

Therefore, Board approval of Petitioner's entry into the telecommunications marketplace is required, assuming Petitioner meets all other requirements, including, but not limited to, a demonstration of financial, technical and managerial integrity.

In considering this application, the Board recognizes its obligation not to prohibit entry into intrastate telecommunications markets. 47 U.S.C. §253(a). Approval is also in keeping with the New Jersey State Legislature's decision that it is the policy of the State to provide diversity in the supply of telecommunications services, and its findings that competition will "promote efficiency, reduce regulatory delay and foster productivity and innovation" and "produce a wider selection of services at competitive market-based prices." N.J.S.A. 48:2-21.16(a)(4); N.J.S.A. 48:2-21.16(b)(1) and (3).

Therefore, having reviewed Advanced TelCom's petition and the information supplied in support thereof, the Board FINDS that Petitioner has demonstrated that it possesses the requisite financial, technical and managerial resources, which are necessary to provide telecommunications services in New Jersey. Accordingly, the Board HEREBY AUTHORIZES Petitioner to provide local exchange telecommunications services in New Jersey subject to approval of its tariff and submission of its pro forma financial statements. The Board notes that Petitioner will not be able to provide telecommunications services until a tariff is approved by the Board and the required financial statements have been provided. Regarding Petitioner's request for waivers of Board rules, the Board FINDS that the Petitioner has demonstrated good cause why the Board should grant relief from its requirements to maintain Advanced TelCom's books and records under the USOA and in New Jersey. Therefore, the Board APPROVES Petitioner's request for the exemptions from maintaining its books and records in New Jersey and under the USOA.

With regard to Petitioner's financial information as submitted in its petition, the Board FINDS that the Petitioner has shown good cause, pursuant to N.J.A.C. 1:1-14.1, that this information merits protection from disclosure in order to prevent competitive harm to the Petitioner. Therefore, the Board DIRECTS that this financial information be kept under seal.

DATED: 10/24/00

BOARD OF PUBLIC UTILITIES  
BY:

(signed)  
HERBERT H. TATE  
PRESIDENT

(signed)  
CARMEN J. ARMENTI  
COMMISSIONER

(signed)  
FREDERICK F. BUTLER  
COMMISSIONER

ATTEST:

(signed)  
FRANCES L. SMITH  
SECRETARY